

Message Text

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PAGE 01 MANILA 10281 100501Z

20

ACTION AID-20

INFO OCT-01 EA-11 ISO-00 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 AGR-20

DRC-01 IGA-02 L-03 /146 W
----- 048032

P R 100400Z SEP 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 7851

INFO AMEMBASSY PHNOM PENH

AMEMBASSY SAIGON

AMEMBASSY SEOUL

C O N F I D E N T I A L MANILA 10281

E.O. 11652: GDS

TAGS: EAGR; RP

SUBJECT: KOREAN RICE FOR PHILIPPINES

REF: A. MANILA 10028

B. STATE 178794

1. I HAVE FOLLOWED WITH CONFUSION AND CONCERN THE SERIES OF CABLES WHICH HAS PASSED AMONG SEOUL, MANILA, AND STATE ON THE SUBJECT OF KOREAN RICE FOR THE PHILIPPINES. WE HAD HOPED TO DEAL WITH THE MATTER AS SIMPLY AND HELPFULLY AS SEEMED POSSIBLE AT THE TIME (REF A), BUT THE LAST LESS THAN PELLUCID INSTRUCTION FROM WASHINGTON (REF B) SEEMS CALCULATED TO PRODUCE THE GREATEST POSSIBLE AMOUNT OF FRICTION WHILE AT THE SAME TIME ACHIEVING THE LEAST POSSIBLE AMOUNT OF SATISFACTION TO ALL CONCERNED.

2. AS I UNDERSTAND THE SITUATION, KOREA HAS PRUDENTLY ATTAINED A RATHER COMFORTABLE RICE RESERVE BY BOTH PL 480 AND COMMERCIAL ACQUISITIONS FROM THE U.S.: THE PHILIPPINES IS CURRENTLY UNDERGOING A RICE SHORTAGE WHICH SHOULD BE
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PAGE 02 MANILA 10281 100501Z

EASED IN NEXT SIX WEEKS. CAMBODIA APPARENTLY IS CURRENTLY

WELL SUPPLIED, BUT WILL HAVE A CRITICAL PERIOD IN ABOUT NINETY DAYS, ESPECIALLY IF THE MILITARY SITUATION DETERIORATES. NEW U.S. SUPPLIES ARE BEING HARVESTED AND WILL BE INCREASINGLY AVAILABLE FOR SHIPMENT IN THE NEXT SIXTY DAYS.

3. IN THIS CIRCUMSTANCE, KOREA HAS OFFERED THE PHILIPPINES 10,000 TONS OF PL 480 RICE TO BE PAID BACK IN KIND. WHILE WASHINGTON HAS NOT OPPOSED THIS, IT IS CURRENTLY CONCENTRATING UPON EUCHRING KOREA OUT OF SOME ADDITIONAL RICE FOR CAMBODIA. IT IS NOT CLEAR WHAT POSITION WASHINGTON WILL TAKE ON THE PHILIPPINE TRANSACTION IF KOREA DECLINES TO MAKE THE REQUESTED DIVERSION TO CAMBODIA; BUT REF (B) CONTAINS AN IMPLIED THREAT THAT WASHINGTON WOULD THEN, IN RIGHTEOUS INDIGNATION, VETO THE KOREA-PHILIPPINES SHIPMENT, THEREBY IN ONE BLINDINGLY BRILLIANT DIPLOMATIC STROKE MAKING KOREA, THE PHILIPPINES AND CAMBODIA ALL UNHAPPY WITH THE U.S., WHILE PERMITTING MUCH NEEDED RICE TO LIE UNUSED IN THE KOREAN RESERVE.

4. I WOULD SUGGEST THERE MIGHT BE A SOMEWHAT LESS RIGID APPROACH TO THE PROBLEM THAN WASHINGTON HAS THUS FAR DIRECTED. THIS APPROACH WOULD INVOLVE (A) U.S. APPROVAL FOR THE KOREA-PHIL TRANSACTION TO TAKE PLACE IMMEDIATELY, (B) KOREAN APPROVAL FOR A PARALLEL 10,000 TON DIVERSION TO CAMBODIA TO TAKE PLACE NO LATER THAN NINETY DAYS FROM NOW, AND (C) AN OPEN-ENDED LOOK AT THE CAMBODIAN SITUATION LATER, WHEN IT COULD BE SATISFIED FROM A NUMBER OF SOURCES, INCLUDING THE U.S. AND POSSIBLE BORROWING FROM KOREA, IF KOREAN RESERVES PERMIT SUCH A LUXURY AT THAT TIME.

5. THE U.S. APPROVAL OF THE KOREAN-PHIL TRANSACTION AS PROPOSED REF A WOULD NOT INVOLVE A GUARANTEE OF RICE TO THE PHILIPPINES FOR PAYBACK PURPOSES, BUT WOULD MERELY ASSURE THE PHILIPPINES AND THE KOREANS THAT WE WILL INTERPOSE NO OBJECTION TO A PHILIPPINE REPLACEMENT IN KIND.

6. IF SEOUL CONCURS IN THIS SUGGESTION, I RECOMMEND WE MOVE RAPIDLY ALONG THESE LINES BEFORE INCREASING ANNOYANCE IN BOTH THE ROKG AND THE GOP TURNS THIS ESSENTIALLY GENEROUS KOREAN INITIATIVE INTO A WELTER OF RECRIMINATIONS WHICH
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PAGE 03 MANILA 10281 100501Z

WILL DO EVERYONE IN THE EYE.
SULLIVAN

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Message Attributes

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